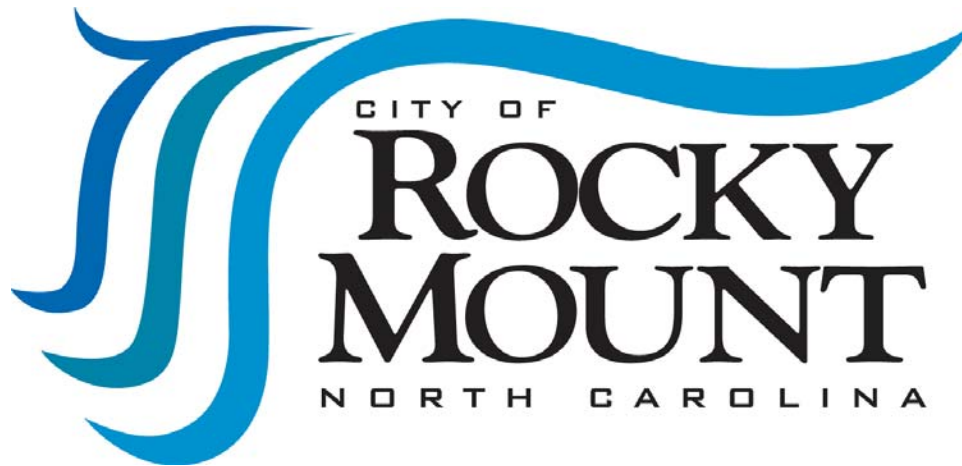


# Review of Current FY 2009 Revenues & Expenditures

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**Presented February 9, 2009**



# Overview

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- Economic indicators
- Review of current revenues
- Update on implemented budget reductions



# Economic Indicators

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- Unemployment rising
  - December 2008 (Rocky Mount MSA) – 11.7%
  - 85.7% increase over 12 Months
  - 30% increase over 6 months
  - Nationwide trending upward
    - January 2009 – 7.6% (+35% since June)
  - State increasing rapidly
    - December 2008 – 8.7% (+47% since June)
- Median Family Income (2007)
  - \$47,895 (7.7% increase from 2006)
- Consumer inflation subsiding
  - January-June 2008, increased 4.2%
  - July-December 2008, decreased 3.9%
  - January-December 2008, increased 0.1%



# Economic Indicators

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- Positive signs on housing
  - Strong affordability
    - Rocky Mount: 1.42 to 3.81 housing price-income multiple
    - Lowest of all North Carolina MSA's
    - Less likelihood of foreclosures
  - Values appreciated 6.8% in 2008
    - 4<sup>th</sup> highest appreciation average in country
    - Only metropolitan area to appreciate in state

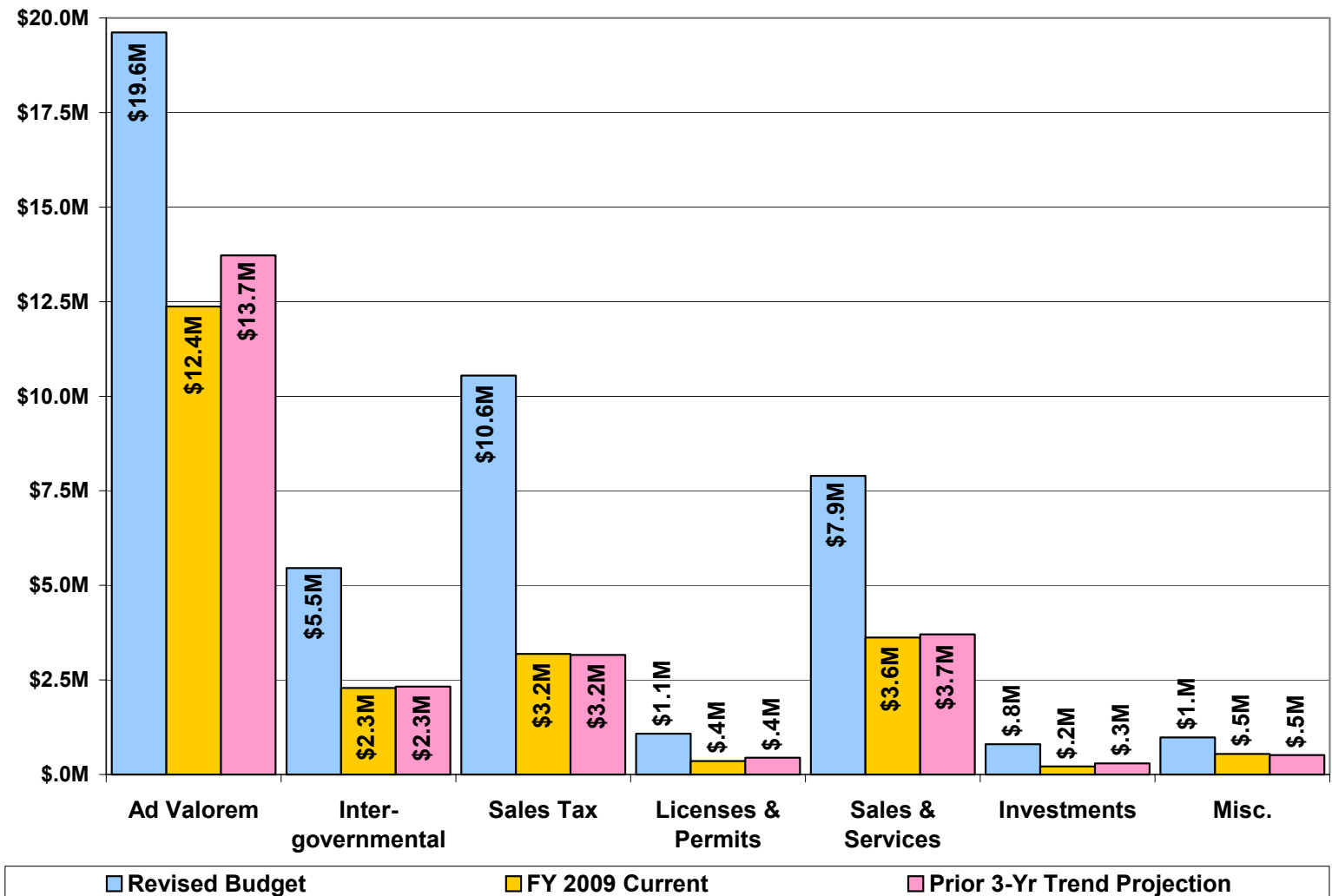


# Current Revenue Review

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- Continued to project current revenue deficit of up to \$1 Million
- Property tax on target
- Local retail sales stable
  - 3.5% below budget - \$360,000 deficit
- Loss of development-related fees
  - Permits and inspections
- Investment interest off 50%
- Powell bill allocation \$275k short

# Current Revenue Review





# Implemented Budget Reductions

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## ○ Goals

- Recover projected current revenue deficit
- Fund implementation of pay & classification recommendations
- Reduce debt financing obligations
- Protect fund balance for use if conditions continue in FY 2010



# Implemented Budget Reductions

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- Original Estimate: \$4.32 Million
  - Freeze vacant positions
  - Defer new utility billing system
  - Operating budget reductions
  - Defer specific capital expenditures
- Projected Savings: \$4.38 Million
  - Salary savings on target
  - Operating and capital reductions not interfering with necessary service delivery





# Conclusion

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- Entering FY 2010
  - Full year impact of revised pay plan
  - Property revaluation
  - Preparations for next annexation phase
  - Clearer understanding of actual economic situation
  - Avoid inclusion of stimulus funding when considering budget necessities